

NON- RESIDENTIAL DEVELOPMENT FEE INSTRUCTIONS

City of Scottsdale Water Resources

GENERAL INFORMATION

Non-residential development fees are based on the Developer's estimated annual water and sewer need. The Developer is defined as the owner of the real property. Important Note: The Developer/Owner must include **all potential tenants** in the building or shell building when estimating annual water and sewer need. The City requires the Developer, not the tenant, to submit Water & Sewer Need Reports, Development Fee Agreements, and development fees. The Developer may not assign or delegate these legal obligations to the tenant. The City must approve Final Plans, Development Fee Agreements, and Water & Sewer Need Reports before development fees are paid. Development fees must be paid to obtain building permits and water meters.

The Non-Residential Development Fee Packet is designed to help you estimate water use, sewer use, and development fees. Use only current versions because Development Fee Packets are updated every year in July. Please follow the step-by-step instructions below to complete all required reports and agreements. Development Fee Packets with report forms and instructions are available at the following locations:

- <http://www.scottsdaleAZ.gov/bldgresources/courterresources/WaterFeePacket/default.asp>
- Plan Review 7447 E. Indian School Road, Suite 105
- Development Services 7447 E. Indian School Road, Suite 100
- Water Resources 9388 E. San Salvador Drive

STEP 1: ESTIMATE INSIDE WATER USE

Use Tables #1 through #4 to estimate your INSIDE water need. INSIDE water determines the amount of water returned to the sewer and is used to calculate sewer development fees. Do not include water that does not return to the sewer (landscaping, evaporation loss through evaporative coolers, cooling towers, pools, spas, fountains and misting systems, and run-off loss through car washing and wash-down areas).

Tables #1 through #4 serve only as informational guides. The Developer is required to make good faith water and sewer use estimate and is responsible for the accuracy of their water and sewer estimates. Unless you can provide metered water consumption data from similar developments, **Water Resources will not approve any estimates below the minimum acceptable standards provided in Table #3.**

STEP 2: ESTIMATE OUTSIDE WATER USE FOR LANDSCAPED AREAS

Use Table #5 to estimate OUTSIDE water use for landscaped areas. Measure both the area of TURF and the area of low water-use PLANTS. Minimum acceptable standards for water need estimates are based on Arizona Department of Water Resources (ADWR) goals for OUTSIDE landscaped areas.

Table #5 serves only as an informational guide. The Developer is required to submit reasonable estimates in good faith and is responsible for the accuracy of their water estimates. Unless you can provide metered water consumption data from similar developments, **Water Resources will not approve any estimates below the minimum acceptable standards provided in Table #5.**

STEP 3: ESTIMATE OTHER OUTSIDE WATER NEED (OPTIONAL)

Use Tables #6 and #7 to estimate Other OUTSIDE water use. This optional calculation is designed to help reduce sewer development fees for significant outside water use, other than landscaping, that does not return to the sewer. Examples include evaporation or run-off loss from evaporative coolers, cooling towers, pools, spas, fountains, hose bibs, wash-down areas, car washing, misting systems, and miscellaneous process rinses. To qualify for this option, include detailed engineering calculations as an attachment to your Water & Sewer Need Report.

STEP 4: DETERMINE CORRECT ZONE

Refer to the City map and identify your correct zone.

Zone A is that part of the City which is south of Shea Boulevard, west of Pima Road, and east of Scottsdale Road, including the area south of Indian Bend Road and west of Scottsdale Road.

Zone B-E is that part of the City not in Zone A and that part of Maricopa County west of Scottsdale Road, north of Dynamite Boulevard, east of 56th Street, and south of Carefree Highway.

STEP 5: CALCULATE DEVELOPMENT FEES

To calculate development fees, use Section 2, Non-Residential Development Fees, and Section 3, Fee Calculation Table. After selecting the correct zone, multiply the cost per gallon per day for each fee in Section 2 times the gallons per day for each type of water use in Section 3. The example below demonstrates how fees are calculated.

EXAMPLE: The example development is a 24,000 square foot grocery store located in Zone B-E. A two-inch water meter serves the inside building use and a one-inch water meter serves the outside water use for landscaped areas. The landscaped areas include 3,000 square feet of low water-use plants and trees, and 1,000 square feet of turf.

INSIDE WATER USE: The Developer uses Tables #2 and #3 and estimates INSIDE water use to be 1,576,800 gallons per year, an average of 4,320 gallons per day when divided by 365 days. **Always divide the estimated annual use by 365 days whether the business is open daily or not.** Average gallons per day = annual water use divided by 365 days. Multiply gallons per day times cost per gallon per day to determine fees for each type of water need. The example below demonstrates how fees are calculated. Water development fees for INSIDE water need = 4,320 gallons per day X \$7.34 per gallon per day = \$31,708.80, and so on.

OUTSIDE WATER USE FOR LANDSCAPED AREAS: The Developer uses Table #5 to estimate 3,000 sq. ft. of OUTSIDE PLANTS = 92 gallons per day and 1,000 sq. ft. of TURF = 100 gallons per day.

EXAMPLE CALCULATIONS:

| NON-RESIDENTIAL DEVELOPMENT FEES: | | | | | |
|---|---------------------|--------------------------|-----------------------------|--------------------------|---------------------------|
| Effective July 1, 2003 - June 30, 2004 (“X” zone below for correct costs) | | WATER Dev. Fee | RESOURCE Dev. Fee | SEWER Dev. Fee | TOTAL Dev. Fees |
| ZONE A (South) | Cost / Gallon / Day | \$1.52 | \$1.55 | \$7.93 | \$11.00 |
| X ZONE B-E (North) | Cost / Gallon / Day | \$7.34 | \$2.00 | \$24.48 | \$33.82 |

| FEE CALCULATION TABLE: (multiply gallons per day below x cost/gallon/day above) | | | | | |
|--|---|--------------------|----------------------|---------------------|---------------------|
| Type of Water Need | GALLONS PER DAY (Annual gals./ 365 days) | WATER Dev. Fee | RESOURCE Dev. Fee | SEWER Dev. Fee | TOTAL Dev. Fees |
| INSIDE | 4,320 | \$31,708.80 | \$8,640.00 | \$105,753.60 | \$146,102.40 |
| PLANTS Landscape | 92 | \$675.28 | \$184.00 | - None - | \$859.28 |
| TURF Landscape | 100 | \$734.00 | \$200.00 | - None - | \$934.00 |
| Other Outside (Optional) | | | | - None - | |
| SUB-TOTAL | 4,512 | \$33,118.08 | \$9,024.00 | \$105,753.60 | \$147,895.68 |
| ADMINISTRATION FEE | 2.04% | \$675.61 | \$184.09 | \$2,157.37 | \$3,017.07 |
| TOTAL DEVELOPMENT FEES | | \$33,793.69 | \$9,208.09 | \$107,910.97 | \$150,912.75 |

STEP 6: SUBMIT THE ABBREVIATED WATER & SEWER NEED REPORT

The Abbreviated Water Need Report is designed to help you estimate development fees during the **conceptual phase** of your development.

Submit your Abbreviated Water & Sewer Need Report to the City Project Coordinator prior to your Development Review Board Hearing.

The Project Coordinator will submit this report to Water Resources for review and approval. Water Resources will contact you if the calculations and proposed development fees require corrections. If your project is approved by the Development Review Board, the next step is due when applying for your Initial Plan Review and Permits.

STEP 7: SUBMIT THE EXHIBIT C WATER & SEWER NEED REPORT

The Exhibit C Water & Sewer Need Report is designed to help you estimate water & sewer use and development fees during the **plan review phase** of your development.

When applying for your Initial Plan Review and Permits, submit the Exhibit C Water & Sewer Need Report, Development Fee Agreement, Exhibit A Legal Description, and Exhibit B Site Map to Development Services.

All documents must be completed in compliance with the following Maricopa County record formatting requirements: the pages must be 8 ½" x 11", the margins must be at least ½" (top, bottom, and side), and the print size must be at least 10-point, with no condensed text. Only original documents will be accepted, no copies or facsimiles. This packet provides forms for the Development Fee Agreement and Exhibit C. The Developer formats Exhibits A and B. Complete one set the following documents for each building permit in your non-residential development:

- Development Fee Agreement, signed by the Developer/Owner and notarized,
- Exhibit "A" - 8 ½" x 11" Written Legal Property Description,
- Exhibit "B" - 8 ½" x 11" Site Map, and
- Exhibit "C" - Water & Sewer Need Report.

Check all documents for completeness and accuracy. Common mistakes include low water use estimations, no project address, not complying with county recording requirements, not completing the water conservation report, and submitting copies or facsimiles in place of originals.

When applying for Initial Plan Review and Permits, submit one set of original documents for each building permit to Development Services. **Maintain copies of all documents submitted for your records.** Development Services will forward your documents to Water Resources for review and approval.

STEP 8: PAY DEVELOPMENT FEES AND OBTAIN PERMITS

Upon approval, Water Resources will send a signed copy of the Fee Calculation Table to your contact person via facsimile or by mail if facsimile is not available. The contact person should be the individual that delivers fee payments to Development Services and obtains permits.

Your contact person must bring a hard copy of the approved Fee Calculation Table for each building permit to Development Services to pay development fees and to obtain building permits. Water meters may be obtained after development fees and water meter fees have been paid. Water meter fees are paid in addition to development fees.

If Water Resources does not approve your report, you have two courses of action: (1) recalculate your estimated water need and resubmit your documents to Development Services for approval, or (2) request an arbitration session with Water Resources staff at (480) 312-5685 to justify your calculations.

STEP 9: TRACK WATER USE AND AMEND REPORTS EARLY

It is recommended that you track actual water usage as you pay your monthly water and sewer bills. The City of Scottsdale will monitor your water and sewer use for three years upon issuance of the certificate-of-occupancy. The Development Fee Agreement obligates the Developer to make a good faith water and sewer use estimate, to pay additional fees if actual water use is greater than estimated water need, and to pay any penalty. This Agreement is recorded by the county against the property after the issuance of a building permit, and is binding upon any future owners of the property.

At any time within the three-year monitoring period, you may avoid or reduce penalties by amending the original Water and Sewer Need Report and paying past due development fees and penalties. Water Resources staff may contact you if the average annual water usage exceeds the estimated water demand by twenty percent (20%) or more. You may submit the amended report and, upon approval from Water Resources, pay additional development fees applicable to the difference between the original and the amended demand. The Abbreviated Water Need Report form may be used to amend your report.

If the amended report is submitted within the first twelve (12) months of the monitoring period, you pay only the difference between the fees paid and the fees owed. If the amended report is submitted within thirteen (13) to twenty-four (24) months of the monitoring period, you pay the difference between the fees paid and the fees owed plus an additional ten (10) percent of the difference. If the amended report is submitted within twenty-five (25) to thirty-six (36) months of the monitoring period, you pay the difference between the fees paid and the fees owed plus an additional fifteen (15) percent of the difference. The fees assessed will be those that are effective at the time of submittal of the amended report. Development fees are adjusted every year in July.

STEP 10: PAY PAST-DUE DEVELOPMENT FEES AND PENALTIES

If, after three (3) years, the average annual water usage exceeds the estimated water demand by twenty percent (20%) or more, then a penalty will be enforced. The penalty will be the sum of: (a) The fees for the difference between the estimated use and the actual use; (b) Interest at a rate of ten percent (10%) per year on the fees for the difference between the estimated use and the actual use; and (c) Twenty percent (20%) of the fees for the difference between the estimated use and the actual use. The fees assessed will be those that are effective at the time penalties are assessed. Development fees are adjusted every year in July.

Water Resources will mail a written notice to the Developer to confirm calculations before enforcing a penalty. The Water Resources General Manager or designee may execute the Development Fee Agreement and may pursue any and all remedies available to it at law or in equity including, without limitation: (a) recordation and foreclosure of liens on the Property; (b) filing a civil suit for damages; and/or (c) immediate termination of water service to the Property.

Development fees are adjusted every year in July. Please contact Water Resources staff at (480) 312-5685 if you have any questions or if you wish to amend your Exhibit C Water & Sewer Need Report at a later date. Thank you for your cooperation.